

**DRAFT DIRECTIVE TRANSMITTAL**  
**WORKFORCE INVESTMENT ACT**

Number: WIADD-62

Date: November 12, 2003

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: 15 PERCENT AND 25 PERCENT PROJECT CONTINUATION

☒ **IMMEDIATE ACTION**

Bring this draft to the attention of the appropriate staff.

☒ **E-MAIL COPY TRANSMITTED**

Number of pages (including coversheet): 4

If there are any problems with this transmittal, please call Celia Guzman at 916/654-9767.

**SUBJECT MATTER HIGHLIGHTS:**

Please review and comment on the attached draft directive.

**COMMENTS ARE DUE BY:**

**12/05/03**

Comments can be submitted through one of the following ways:

- 1) **Web site** — [www.edd.ca.gov/wiarep/wiainp.htm](http://www.edd.ca.gov/wiarep/wiainp.htm)
- 2) **Fax** — WID, Attention: Celia Guzman at 916/654-9586
- 3) **E-Mail** — [cguzman1@edd.ca.gov](mailto:cguzman1@edd.ca.gov) (Include "draft comments" in the subject line)
- 4) **Mail** — WID / P.O. Box 826880 / MIC 69 / Sacramento, CA 94280-0001

All comments received by the end of the comment period will be considered before the final directive is issued. However, we will not be able to individually respond to comments. **Comments received after the specified due date will not be considered.**

If you have any questions, contact your WID Regional Advisor at (916) 653-6347.

# DRAFT DIRECTIVE

## WORKFORCE INVESTMENT ACT

Number:

Date:

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TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: 15 PERCENT AND 25 PERCENT PROJECT CONTINUATION

### EXECUTIVE SUMMARY:

#### Purpose:

The purpose of this directive is to provide the criteria and requirements necessary to provide continued funding for Workforce Investment Act (WIA) 15 Percent and WIA 25 Percent projects.

#### Scope:

This directive applies to Local Workforce Investment Areas (LWIA) and other recipients of Governor's WIA 15 Percent Reserve funds and WIA Dislocated Worker 25 Percent funds.

#### Effective Date:

This directive is effective immediately.

### REFERENCES:

- WIA Directive WIAD02-13, Subject: Dislocated Worker 25 Percent Fund Requirements (April 24, 2003)
- WIA Directive WIAD02-14, Subject: 15 Percent Project Requirements (April 24, 2003)
- WIA Information Bulletin WIAB02-23, Subject: 15 Percent Project Requirements (September 26, 2002)

### STATE-IMPOSED REQUIREMENTS:

This directive contains only State-imposed requirements.

### FILING INSTRUCTIONS:

Retain this directive until further notice.

## **BACKGROUND:**

The WIA provides federal funding to the State of California for workforce investment activities. These activities are provided through State and local workforce investment systems. The Employment Development Department's (EDD) Workforce Development Branch (WDB) funds many grants and subgrants on a split year or an incremental basis. Both processes result in initial commitment of less than the total funds to operate an entire project. Split year funded grants postpone award of some of the grants until the State receives its next year program funds. The purpose of split year funding is to avoid obligating current year funds for expenditure in the subsequent year. Incrementally funded grants are not necessarily funded from two program years of funding. Instead, the purpose is to encourage program effectiveness by withholding some of the approved funds pending proof of grant effectiveness. Both kinds of less than full funding will be subject to the same test for determining whether additional funds will be granted.

## **POLICY AND PROCEDURES:**

The WDB has adopted the following procedures for split year and incremental projects. The rules will apply to both WIA 15 Percent and WIA 25 Percent projects.

### **The criteria for a project to receive incremental or split year funding:**

- For a project to be granted additional funding, the WDB will review the project's performance through the end of the quarter previous to the date of request for additional funds to determine if the project has spent 100 percent of the planned budget and has enrolled at least 80 percent of the planned participants. For any additional future incremental or split year [additional year(s)] of funding (third, fourth, etc) to be approved, the participants enrolled must be at least at 90 percent of the planned level of participants through the quarter previous to the request. In an exceptional case where a project does not meet the participant criteria, the project may be recommended additional funding based on qualifying justifications. No project will be forwarded that has not met the 100 percent expenditure criteria. If there are any other special project objectives, these must be met as stipulated in the contract/subgrant.
- Data will be provided and will accompany the request through the approval process to show that the project has met these benchmarks and that it warrants more funding. If the project has not met the benchmarks based on the timeframes outlined above, the project operator/subgrantee will be notified and the project will not be forwarded for approval until these benchmarks are met. Recommendations will be forwarded to the WDB Deputy Director who will make the decision to provide the next increment of funding or not.

### **Review and possible de-obligation of funding from ongoing projects:**

- WIA 15 Percent and WIA 25 Percent data will be downloaded from the Job Training Automation (JTA) system on a quarterly basis by WDB. WDB will review

expenditures for all projects/subgrants. Those projects that are out of range of meeting the planned expenditures may possibly be reduced in funding or be terminated. WDB will use a 20 percent variance (planned expenditures vs. actual expenditures) taking into consideration the following parameters:

1. How long has the recipient actually had the funding?
  2. Is the WIA funding part of a collaborative effort between a number of areas?
  3. Did unforeseen barriers cause expenditures to be low?
  4. Is this a project/subgrantee with a past performance history that reflects similar expenditure patterns on funds?
- The projects not meeting the requirements will be forwarded through the Workforce Investment Division (WID) Chief and the Assistant Deputy Director to the Branch Deputy Director, with supporting information, data, and a recommendation for reduction or termination. Any recommendation to reduce funds and/or to terminate a project will then be forwarded to the EDD Director, California Workforce Investment Board, and California Labor and Workforce Development Agency for a final decision.

Contracts and subgrants will not be processed for “time only” extensions unless strong supporting justification is provided. Extensions for “time only” requests of WIA funds will be submitted with justification for approval to the WID Chief and the Assistant Deputy Director.

All subgrantees must have a State-approved plan in place to continue their projects. They must work with their assigned Regional Advisor or Program Manager to develop and receive approval of an initial plan or to make changes to an existing plan.

Modifications to originally approved projects will only be approved based on strong justification and supporting documentation. Again, the WID Chief and Assistant Deputy Director will make the decision based on a recommendation from the program staff.

**ACTION:**

Please bring this directive to the attention of appropriate staff.

**INQUIRIES:**

Please direct any questions about this directive to your assigned State Project Manager or [Regional Advisor](#) at (916) 653-6347.

/S/ BOB HERMSMEIER  
Chief  
Workforce Investment Division